

# **MS Military Department-State Purchasing and Contracting Division**

State Small  
Procurement Credit  
Card Use April 2010  
REVISED Dec 2015



# Procurement Card Services Program Purpose....

- Allows select employees to make purchases which are for a bona fide need of the MMD for small dollar purchases (under \$5,000)
- Reduce issuing small dollar PO's
- Increase in processing efficiency
- Increase in purchasing flexibility

# Laws and Policy

- MS Code, 1972, Annotated, Section 7-7-23, the State Fiscal Officer established a general rule to allow state agencies to make certain purchases without first issuing a purchase order
- The Department of Finance and Administration, Office of Purchasing, Travel and Fleet Management (DFA/OPTFM), State Procurement Manual, Chapter 10.113 and Chapter 10.115
- State of MS Contract issued by the DFA/OPTFM for Small Procurement Purchase Card
- MS Military Department-State Purchasing and Contracting Division, Credit Card Policies and Procedures

# Getting Started

- Director/Supervisor having a need for the State Procurement card will submit to the Dir, State P&C Div a Request for Small Purchase Card Authority filled out by the individual who will be issued the card and signed by the Director/Supervisor along with the Purchase Card Setup Form and Cardholder Agreement Form
- Dir, State P&C Div, once receiving the request, will obtain Dir, State Resources approval and process request
- Once request has been approved, and card has been received, Dir, State P&C Div or designee will contact the individual cardholder, his/her supervisor, and any other person involved in the process to set up a training session

# Program Coordinator/Liaison Officer

- Program Coordinator is Judy Eberhardt –  
601-313-6209, email  
judith.l.eberhardt.nfg@mail.mil
- Liaison Officer is Amanda Michael –  
601-313-6581, email  
amanda.n.Michael2.nfg@mail.mil

# Program Coordinator/Liaison Officer Responsibilities

- Program Coordinator:
  - Overall responsible for Credit Card program for the MMD
  - Communication with OPT
  - Submits disputed documents to UMB for review
  - Approves and processes the Request for Small Procurement Card Authority, along with approval from the State Comptroller
- Liaison Officer:
  - Helps individual cardholder get setup with online process for statements (will not have paper statements)
  - Communication with OPT
  - Reviews and certifies monthly statements to ensure compliance of the purchases

# Cardholder's Responsibility

- Ensure compliance with all applicable laws, regulations, policies and procedures
- Safeguards the Purchase Card and Account Number
- Return reconciled Statement to the P&C Div NLT 1 day after receipt of statement, (Statement available via website. Do NOT depend on the email. It is the Cardholder's responsibility to print his/her own statement)

# Procurement Card Restrictions and Allowable Purchases

- No cash advances allowed
- No travel related expenses
- Back orders may not be charged
- Cardholder must ensure prices are fair and reasonable
- Available budget authority must exist to cover expenditures
- No capitol equipment
- No state and local taxes
- No giving card number to a business for a recurring monthly charge
- Individual card can only be used by the named cardholder. Do Not loan Purchase Card to anyone
- Purchases must comply with purchasing laws
- Cardholders should periodically review and confirm a detailed list of what is allowed to be purchased
- State contract items are purchased only from the state contract vendor at or below the state contract price
- Contractual Services may be charged on the procurement card as long as the business is incorporated
- Food for Business meetings may be purchased, food form will need to be filled out. If used for catering, the caterer must be incorporated



# CONT'D Procurement Card Restrictions and Allowable Purchases

- No Radioactive, Explosive or other Hazardous material
- No Items for personal use
- No Alcoholic beverages
- No Gifts
- No Entertainment
- No vendor Surcharge for using card, if vendor will not comply, inform them they are breaking MS state law and if they will not remove surcharge we can not use that vendor
- **This will also include items on next slide prohibited equipment**
- **A Few Allowable Purchases:**
- Conference Registrations
- Memberships
- Freight / Shipping
- Postage / Post Office Box Rental
- Subscriptions / Publications
- Advertising
- Software, provided no licensing agreement is signed

# PROHIBITED EQUIPMENT PURCHASES

We are required to maintain a complete and current inventory list of each property item which costs \$1,000 or more **UNLESS** the items purchased fall within the groups listed below. These items will be regarded as equipment regardless of their purchase value:

- Weapons
- Two-Way radio equipment
- Lawn Maintenance equipment
- Cellular telephones
- Chain Saws
- Air Compressors
- Welding Machines
- Generators
- Motorized Vehicles
- Ipads
- Camera & Camera equipment (**greater than \$250 each**)
- Computer and Computer equipment (**greater than \$250 each**)
- Televisions (**greater than \$250 each**)
- **ANY OTHER ITEMS THAT COULD BE CONSIDERED EQUIPMENT (USE PURCHASE ORDER PROCESS)**

# Itemized Receipts

- Obtain an itemized receipt for each purchase
- If itemized receipt is not clear as to the purchase, hand write (in ink) what the item/s is/are that was/were purchased
- Itemized is the key, can not accept just a credit card printout that is not itemized
- If receipt can not be obtained, a Missing Document Affidavit must be submitted
- If receipt is small, it must be taped on to a standard size piece of paper

# Taxes

- Tax should NOT be charged to the state procurement card (Section 27-65-105(a) of the MS Code of 1972, Annotated)
- Responsibility of the cardholder to inform vendor of tax exempt status
- If charged tax, cardholder MUST obtain a credit within the same month if possible, if not, NLT the next month

# Split Purchases/Circumvention of Obtaining a Purchase Order

- As stated in a previous slide, the state procurement card maximum amount for a single purchase is \$5,000 per transaction
- Purchases over \$5,000 must be on a purchase order and will require AT LEAST two written competitive quotes
- Do not split purchases (split purchases are defined as splitting one purchase totaling more than \$5,000 into several to circumvent the \$5,000 limit)

# Information needed in the processing Purchase Card Request along with backup documentation

- Vendor – UMB Bank
- Vendor Number: 3100009489
- General Ledger Code - 61900000 for Services
- General Ledger Code - 62900000 for Commodities
- General Ledger Code - 62040000 for Food for Business Meetings
- Summary Record of Credit Card Use
- Record of Credit Card Use
- Submit original receipts with the Original Summary Record of Credit Card Use and Record of Credit Card Use and Credit Card Statement

# Security Issues

- Keep the state procurement card in a secure location (e.g. locked file cabinet or office safe)
- Do not carry the state procurement card on vacations, non-duty hours to include, weekends or holidays
- Keep the state procurement card separate from personal credit cards
- Do NOT share assigned procurement card or number with anyone other than the merchant of where business is being conducted. (Ref. #7 of the Cardholder's Agreement)
- For cards lost or stolen, cardholder must notify the bank and the Program Coordinator immediately
- Cardholder MUST return the card immediately upon request, termination, resignation or retirement

# Liability

- The State of MS will not accept any liability or financial responsibility for employee's charges that have not been authorized and exceed any specified limits and violate any of the MCC code restrictions pursuant to current card association rules and regulations. (MCC Code is a Merchant Category Code that DFA/OPTFM, along with the vendor, has set up to indicate what type category the company is)



# USEFUL LINKS

- <http://ms.ng.mil/Pages/default.aspx>
- <http://www.dfa.state.ms.us/Purchasing/Home.html>
- <http://www.lexisnexis.com/hottopics/mscode/>
- <http://www.dfa.state.ms.us/>

# Questions

- Questions are welcomed

